

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
Palau National Communications Corporation)	DA 01-2838
Petition for Declaratory Ruling that Palau National)	
Communications Corporation is subject to FCC)	
Jurisdiction and Eligible to Participate in Universal)	
Service Programs and the National Exchange)	
Carriers Association)	
Petition for Related Waivers and Application for)	
International Section 214 Authority)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45

COMMENTS

PCI Communications, Inc. (PCI), an FCC 214 licensed facilities based telecommunications carrier based in Guam, submits its Comments in response to Palau National Communications Corporation's (Palau) Petition for Waiver. The comments are made in accordance with the Commission's December 6, 2001 *Public Notice*.

Palau requests a declaratory ruling and related waivers to include Palau in the Commission's universal service program and to allow its participation in the National Exchange Carriers Association (NECA). Palau further requests waivers from provisions of the Commission's rules that would preclude it from participating in receiving high-cost universal service support and participating in NECA's access tariffs and pools as of January 1, 2002.

PCI is unable to provide comment on whether and how the Compact of Free Association (“Compact”) ratified by the U.S. Congress enables the Federal Communications Commission jurisdiction over Palau, except to note that the issues remain unresolved based on the FCC CC Docket No. 96-45; DA 99-2607 on issues related to these insular areas. PCI can state that Palau and other Freely Associated States do have a special relationship with the United States as defined in the Compact.

PCI does support the inclusion of Palau in both NECA and the universal service program. The participation of Palau in NECA would have a direct impact on increasing competition for telecommunication services and lessening telecommunication costs to consumers, especially in the Micronesian region. The increased competition in the areas of Internet services, long distance voice communications, and mobile voice services would have a positive effect on consumers and business development. Palau's participation would further demonstrate that the competitive model of telecommunications works in even smaller rural communities.

PCI therefore urges the Commission to give favorable consideration of Palau's request for the appropriate waivers.

Respectfully submitted,

PCI Communications, Inc

By: /s/ John Day
Director
135 Chalan Santo Papa
Hatgana, Guam 96910